

DATE 19 JULY 87

STAT

U.S. Weighs Resuming Limited Contacts With North Korea

By ELAINE SCIOLINO

Special to The New York Times

SEOUL, South Korea, July 18 — The United States has told South Korea that it will consider resuming limited diplomatic contact with North Korea as proposed by President Roh Tae Woo this month, senior State Department officials said today.

Although the officials stressed that no decision had been made, they said such a move would be examined after the 1988 Olympic Games in Seoul. Secretary of State George P. Shultz told South Korean leaders in meetings today of an American willingness to re-examine whether the United States might restore the "modest initiative" that was canceled after the North Korean bombing of a Korean Air Lines plane late last year in which all 115 people aboard were killed.

"After we look over the new proposals, we're going to look at the possibility of starting up our limited diplomatic initiative again," a senior State Department official said.

'A Complex Situation'

Another senior official said, "It's a more complex situation but we're open to a whole range of suggestions." But he cautioned, "There's nothing coming down the pike right now."

In the spring of 1987, the United States initiated a policy of allowing meetings between American and North Korean diplomats and slightly eased visa restrictions on North Koreans coming to the United States.

After the bombing of the South Korean airliner, the initiative ended and North Korea was added to the State Department's list of countries that support terrorism along with Syria, Libya, Iran, Southern Yemen and Cuba.

At a brief news conference in Seoul before leaving for Tokyo, Mr. Shultz

said that the United States was studying ways to help push Mr. Roh's proposals forward but that nothing would take place before the Olympics, which are to begin in mid-September.

"To try to initiate something before the Games is unlikely," Mr. Shultz said. "But at any rate, we have under active consideration the possibility of a number of steps."

Roh Proposal on the North
Earlier in the day, in response to a question after a speech to the Korean Newspaper Editors' Association, Mr. Shultz praised Mr. Roh's proposals to bring the two Koreas closer together and said the United States "will think

about" whether to reinstate the limited initiative. But he called an opening of trade ties between the United States and North Korea "premature."

Senior State Department officials said today that the United States would not consider removing North Korea from the terrorism list.

Earlier this month, Mr. Roh introduced a six-point proposal to ease tensions through increased trade without tariffs, personal visits and cultural exchanges, and the restoration of mail service between North and South.

On July 11 North Korea rejected Mr. Roh's proposal, saying it offered nothing new.

The Roh proposal also expressed South Korea's willingness to cooperate with North Korea in its efforts to improve its relations with countries friendly to the Seoul Government, including the United States and Japan.

Mr. Shultz also sharply criticized South Korea today for what he described as its unfair foreign trade practices, acknowledging that his position may add to rising anti-Americanism. He accused South Korea, which had a \$9.8 billion trade surplus with the United States last year, of benefiting from international trade agreements but not living up to its responsibilities under those agreements.